

Message Text

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E.O. 11652: N/A

TAGS: EWWT, EIND, BEXP, BTIO, SA

SUBJECT: U.S. CORPS OF ENGINEERS PORTS PROJECTS AND PURCHASE PLANS

1. EMBASSY LEARNED FROM COE THAT IT PLANS TO BUILD TWO PORTS, CONSTRUCT TWO CEMENT PLANTS, AND PURCHASE A CONSIDERABLE AMOUNT OF IRON AND STEEL REINFORCING RODS (REBAR) FOR PROJECTS IN SAUDI ARABIA. PROJECTS FOR WHICH COE HAS SUPERVISORY RESPONSIBILITY NOW TOTAL OVER \$16.9 BILLION. PORTS CEMENT PLANTS AND IRON BARS ARE FOR SOLE SUPPORT OF THESE PROJECTS.

2. PORTS. THE TWO PORTS WILL BE LOCATED, RESPECTIVELY, ABOUT 100 KILOMETERS NORTH OF JIDDA IN THE WESTERN REGION AND JUST SOUTH OF THE KUWAIT BORDER IN THE EASTERN REGION. THE CONSULTING ENGINEER FOR THE PORTS IS URS CORP., 155 BOVET RD., SAN MATEO, CALIFORNIA 94402. CONSTRUCTION WILL BE DONE BY RAYMOND INTERNATIONAL, ANOTHER U.S. FIRM. THE COMBINED COST OF THE PORTS IS ESTIMATED AT \$300 MILLION TO BE PAID FOR BY SAG AND TO BE TURNED OVER THE SAUDI ARABIA AT EXPIRATION OF COE NEEDS. THE PORTS ARE DUE FOR COMPLETION IN THE SUMMER OF 1977.

3. CEMENT PLANTS, TWO CEMENT PLANTS WILL ALSO BE BUILT AFTER CONSTRUCTION OF THE PORTS. THESE WILL SUPPLY CEMENT FOR COE PROJECTS ONLY AND ARE INTENDED TO RELIEVE THE HEAVY DEMAND SITUATION ON PRESENT SAUDI CEMENT PRODUCTION AND IMPORTS FOR WHICH COE HAS NOW TO STAND IN LINE WITH OTHER CUSTOMERS. NO DETAILS OR COSTS REGARDING THE CEMENT PLANTS ARE NOW AVAILABLE EXCEPT THAT THEY WILL BE UNCLASSIFIED

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OF MEDIUM SIZE. AFTER COMPLETION THEY WILL BE TURNED

OVER THE SAG WHICH IS EXPECTED TO CONESSION THEM TO PRIVATE INTERESTS. NO SUPPLY AND CONSTRUCTION CONTRACTS FOR THESE PLANTS HAVE BEEN LET. PURCHASE AND CONTRACT WILL BE HANDLED BY THE U.S. CORPS OF ENGINEERS (MEDITERRANEAN) AT LIVORNO, ITALY, OR IN WASHINGTON AREA WHEN THE LATTER OFFICE RELOCATES.

4. REINFORCING BARS. THE COE WILL IMPORT INTO SAUDI ARABIA MILLIONS OF TONS OF REINFORCING BARS ON THE ACCOUNT OF THE SAG. THESE ALSO ARE SOLELY FOR USE IN COE ADMINISTERED PROJECTS. PURCHASE OF THE REBARS WILL MOST LIKELY BE BY TENDER. AGAIN THESE PURCHASES WILL BE EFFECTED DIRECTLY BY THE COE AFTER THE CONSTRUCTION OF THE ABOVE PORTS.

5. THIS INFORMATION WAS PROBIDED IN A MIXED BRIEFING TO ABOUT 20 U.S. BUSINESSMEN, INCLUDING VISITING PENNSYLVANIA IOGA TRADE MISSION, AND IS CONSIDERED PUBLIC INFORMATION WHICH CAN BE DISSEMINATED TO U.S. BUSINESS FIRMS.
PORTER

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